

**CITY OF PONTIAC  
POLICE AND FIRE RETIREE PREFUNDED  
GROUP HEALTH & INSURANCE PLAN  
BOARD OF TRUSTEES VEBA MEETING MINUTES  
December 1, 2022**

A regular meeting of the Board of Trustees was held on Thursday, December 1, 2022.

**Trustees Present**

Lon Britton  
Matt Nye  
Craig Storum

**Others Present**

Matt Henzi, AsherKelly  
Chris Kuhn, AndCo.  
Violet Gjorgjevski, BeneSys, Inc.  
Jennifer Crosby, BeneSys, Inc.  
Danielle Winegardner, Nyhart

**Absent Trustee**

Tim Greimel, Mayor

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*Trustee Britton declared that a quorum was present and called the meeting to order at 9:08 a.m.*

**AGENDA CHANGES**

**RESOLUTION 22-20** By Britton, Supported by Storum

Resolved, to grant a reasonable accommodation under the ADA and allow Trustee Lon Britton and Trustee Craig Storum to attend the meeting electronically. Further, to amend the agenda to move the report of financial consultant, Chris Kuhn, to the beginning of the meeting due to time constraints.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

**AndCo.**

Mr. Kuhn updated the Board that the markets started the 3rd quarter with a brief reprieve from their downward trend in 2022. Investors anticipated the Federal Reserve was nearing the end of rate hikes; stocks and bonds both enjoyed strong returns in July. However, comments from the central bank leaders in August crushed those hopes. The Fed raised the Fed Funds rate twice by 75 basis points in July and September and indicated they would continue to pursue higher rates to reduce inflation, regardless of the impact on the economy. These actions caused the equity and fixed income markets to sell off during the second half of the quarter. The S&P 500 declined by 4.9% with small cap and growth stocks performing slightly better during the quarter. The Bloomberg US Aggregate fell 4.3% for the quarter and is down 14.6% year-to-date, suffering its worst performance in over 40 years. The international equity markets suffered larger losses due to rising energy prices and the expectation of a severe recession across Europe (MSCI EAFE NR -9.4%). Real estate continues to be the lone asset class to survive 2022, posting a slight gain for the quarter. 2022 has been a painful year for investors.

The Total Fund declined by 3.62% during the quarter, exceeding the Policy Index and ranking near the top quartile of the public fund universe. The Fund benefited from strong results from the international equity allocation. The Total Fund returned -13.99% over the past year, outperforming the Policy Index and ranking near the median fund in the peer group. Longer-term, the Fund has performed in line with the Policy Index but ranked in the bottom half of the universe.

Mr. Kuhn recommended an Asset Allocation Study be completed in the first quarter of 2023.

## CONSENT AGENDA

- A. Minutes of Regular Meeting – September 14, 2022
- B. Minutes of Special Meeting – September 15, 2022
- C. Financial Reports
  - 1. Financial Reports – July - September 2022
  - 2. Bills for Ratification through December 1, 2022

**RESOLUTION 22-21** By Britton, Supported by Storum  
Resolved, That the Consent Agenda for December 1, 2022, be approved.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

## CONSULTANTS

### A. Nyhart – December 31, 2021, Actuarial Valuation

Nyhart’s December 31, 2021 Actuarial Valuation, previously submitted to the Trustees, was received and reviewed.

## ATTORNEY’S REPORT

### City of Pontiac/PF VEBA/VEBA Merger Agreement

Attorney Henzi addressed this matter for the Board in the Attorney Report.

### Asset Transfer/Escrow Agreement

Attorney Henzi addressed this matter for the Board in the Attorney Report.

CPREA and the City are in mediation on this and other topics.

### CPREA Subpoenas

Attorney Henzi addressed this matter for the Board in the Attorney Report.

Counsel for CPREA sent a Protective Order to Legal Counsel. Legal counsel prepared revisions and have met with counsel for CPREA to discuss further revisions so that the PF VEBA can produce records and maintain HIPAA compliance.

**RESOLUTION 22-22** By Britton, Supported by Storum  
Resolved, to produce documents requested by subpoena from CPREA upon execution of a protective order which safeguards protected health information.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

AndCo Investment Consulting Services Agreement

Attorney Henzi addressed this matter for the Board in the Attorney Report.

Legislative Update

House Bill 5427

Attorney Henzi addressed this matter for the Board in the Attorney Report.

House Bill 6423

Attorney Henzi addressed this matter for the Board in the Attorney Report.

**UNFINISHED BUSINESS - None**

**NEW BUSINESS**

**A. May – November 2022 Expenses**

Ms. Crosby presented the May – November 2022 expenses to the Board.

**RESOLUTION 22-23** By Britton, Supported by Storum  
Resolved, to approve reimbursement of expenses for April 2022.

Roll Call Vote:	Lon Britton	Yea
	Craig Storum	Yea
	Matt Nye	Yea

**B. Pontiac Police & Fire 2023 Meeting Schedule Draft**

Ms. Crosby presented a draft of the 2023 Meeting Schedule for Pontiac Police and Fire. Amendment was made to the May meeting date and time.

**CORRESPONDENCE**

- A. BeneSys DOL Cyber Security Program Response Q4 2022**
- B. Northern Trust Names Had of Global Macros for Fixed Income**
- C. Northern Trust Change in Relationship Team**

**NEXT MEETING DATE:** February 23, 2023, 9:00 a.m.

**ADJOURNMENT**

**RESOLUTION 22-14** By Britton, supported by Storum  
Further Resolved, that the meeting be adjourned at 10:20 a.m.

Roll Call Vote:	Lon Britton	Yea
	Craig Storum	Yea
	Matt Nye	Yea

I certify that the foregoing are the true minutes of the  
Police & Fire Retirement Pre-Funded Group Health and  
Insurance Plan “VEBA Trust” on December 1, 2022.

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*As recorded by BeneSys*